

Before the State of south Carolina
Department of Insurance

In the matter of:

SCDOI File Number 2002-115662

Joseph R. Brunetto
210 Cartgate Circle
Blythewood, South Carolina 29016

Consent Order
Imposing Administrative Fine

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Joseph R. Brunetto (the Agency) a licensed South Carolina resident insurance agent.

The Agency hereby admits, and I find as fact, that it allowed employee Vicki Black to handle a policy for a consumer with Allstate Insurance Company, without supervision, even though Ms. Black had been determined to be 'legally blind'. The Agency has therefore alleged that their act of misstating the facts in an application for insurance was not intentional, but resulted from an oversight by its employees in reviewing its records. However, this act is a violation of S.C. Code Ann. § 38-43-130 (Supp. 2002) that can ultimately lead to the revocation of the agency's licence to transact the business of insurance within the State of South Carolina following a public hearing at the Administrative Law Judge Division pursuant to S.C. Code Ann. §§ 38-43-30 and 38-43-130 (Supp. 2002).

Prior to the initiation of any administrative proceedings by the Department against it, the Agency and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke the agency's license, The Agency would waive its right to a public hearing and submit, via certified check, an administrative fine in the total amount of \$1,000.00.

South Carolina Code Ann. § 38-43-20 (Supp. 2002) provides that "no person may act as an agent for an insurer . . . unless an agent's license has been issued to him by the director or his designee." Section 38-43-130 provides that "the director or his designee may revoke or suspend an agent's license after ten days' notice . . . when it appears that an agent has violated this title or any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State."

After a thorough review of the record, carefully considering the recommendation of the parties, and in accordance with my findings of fact, I now conclude, as a matter of law, that the Agency has violated S.C. Code Ann. §§ 38-43-20 and 38-43-130 (1) (Supp. 2002). Although I can now revoke the agency's resident insurance license, under the discretionary authority provided to me by the General Assembly within S.C. Code Ann. §§ 38-2-10 (1) and 38-43-130 (Supp. 2002), I

hereby impose against the Agency an administrative fine in the total amount of \$1,000.00. That fine must be paid within ten days of the date of my signature upon this consent order. If that total fine amount is not timely paid, the Agency's resident insurance agency license will be revoked without any further disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and is made in consideration of Mr. Brunetto's assurance that he has taken steps internally to prevent this situation from recurring and that he will fully comply with the insurance laws of South Carolina in the future. The parties expressly agree and understand the Agency's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code.

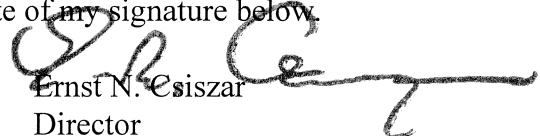
By his signature upon this consent order, Joseph R. Brunetto acknowledges that he understands that this administrative order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. § 30-4-10, *et seq.* (1991 and Supp. 2002). Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2002, of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is therefore ordered that Joseph Brunetto, within ten days of the date of my signature on this consent order, pay through the South Carolina Department of Insurance an administrative fine in the total amount of \$1,000.00.

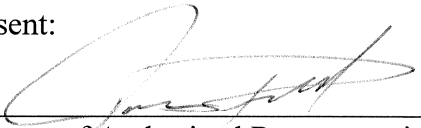
It is further ordered that a copy of this Order be transmitted to the National Association of Insurance Commissioners for distribution to its current member states and a copy of this order placed in the Agent's licensing file.

This consent order becomes effective as of the date of my signature below.

4 April 2003, at
Columbia, South Carolina


Ernst N. Csiszar
Director

I consent:



Signature of Authorized Representative



Name



Title

Joseph R. Brunetto
210 Cartgate Circle
Blythewood, South Carolina 29016

Dated this 10th day of April 2003.